

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Examine the
Commission's Future Energy Efficiency Policies,
Administration and Programs.

Rulemaking 01-08-028
(Filed August 23, 2001)

**ADMINISTRATIVE LAW JUDGE'S RULING
GRANTING EXTENSION OF TIME TO PG&E TO COMPLETE ENERGY
EFFICIENCY PROGRAM AND TO SHIFT FUNDS BETWEEN
ENERGY EFFICIENCY PROGRAMS**

This ruling grants the joint motion of Pacific Gas and Electric Company (PG&E) and the City and County of San Francisco (CCSF) to extend the time previously granted for implementing specified energy efficiency programs for the City of San Francisco and the PG&E's subsequent motion to shift funds between programs in order to assure continued operation of the Single Family Rebate program.

Motions to Shift Funds. On October 20, 2004, PG&E filed a motion for authorization to shift energy efficiency program funds. Specifically, PG&E seeks to apply uncommitted, unspent funds from periods prior to 1998 and from its nonresidential new construction program to the Single Family Rebate Program. PG&E states it has \$2.6 million of funds from periods prior to 1998 and \$1.117 million available from the nonresidential new construction program. These amounts together would cover PG&E's estimated need for the Single Family Rebate program through December 2004. PG&E explains that the previous year funds it proposes to shift are available because customers were

ultimately not entitled to the funds, or some portion of them, for which they had originally applied. This can occur where a qualifying energy efficiency project is not completed or is smaller than originally planned.

PG&E provides plausible explanations for why some previous year funds might be available but do not justify the availability of almost \$3 million dollars for more than seven years. PG&E should propose an allocation of unused funds rather than retain them for more than six years.

In Decision (D.) 04-08-019, the Commission expressed strong support for the continuation of the Single Family Rebate program. The Energy Division does not object to PG&E's proposal to shift funds into that program. Accordingly, this ruling grants PG&E's motion to shift funds to the Single Family Rebate Program.

Motion of PG&E and CCSF for Extension of Time to Complete Program. CCSF and PG&E filed a joint motion on September 17 seeking an extension of time to complete the San Francisco Peak Energy Program (PEP). D.03-04-055 authorized \$16.3 million in funding for the PEP and an energy savings target of 16 megawatts. The program was to be implemented in 2003 and 2004. The joint motions states that because of delays in initiation of program implementation to December 2003, the program lost eleven months of implementation time. It states the program had spent and committed about 60% of authorized funds by the end of August 2004. CCSF and PG&E estimate that by the end of the original funding period, about 42.5 million of the PEP budget will be uncommitted and unspent.

Women's Energy Matters (WEM) responded to the joint motion. WEM supports an extension but with some conditions. It would limit the extension to April 1, 2005. WEM expresses concerns that program implementers have taken credit for savings that may occur because of "committed" funds, rather than

acknowledging only those energy savings that have actually been accomplished. WEM is worried that met of the PEP program energy savings result from commitments, not actual installations. WEM therefore asks the Commission to require that all measures be installed by a specific date before the 2005 summer peak season. WEM also asks that the Commission require that remaining funds be used for multifamily programs, which WEM believes are oversubscribed and highly cost-effective. Finally, WEM objects to PG&E's recent decision to deny public access to PG&E's monthly energy efficiency spending reports.

Center for Small Business and the Environment and the San Francisco Based Small Business Network (CSBE/SBN) does not object to the extension but proposes a method for evaluation and data collection for the program. While CSBE/SBN presents some good ideas and insights, this ruling is not the appropriate venue for developing what appear to be EM&V protocols. The Commission is considering related issues in the context of revamping program administration.

This ruling grants the joint motion, with some conditions, in recognition that the program's initiation was delayed for justifiable reasons. WEM's concerns are well taken. "Commitments" for energy efficiency program spending do not contribute to energy savings until and unless they evolve to actual installations. Moreover, an open-ended completion date for this program is not appropriate since the Commission should be able to determine at some point whether funds that remain unspent would be better applied to more cost-effective programs. This ruling therefore grants the extension of the SF PEP to December 2005. In light of WEM's comments, it also directs PG&E and CCSF to revise the allocation of funds to support programs and measures that will generate the most energy savings for the least cost.

Finally, we remind PG&E that its reports are public documents and that it may not decline to provide them on the basis that they might be misinterpreted. PG&E has not made a convincing case that identifying employees who work on a program compromises employee or company confidentiality, although PG&E may remove such information from the reports it makes public. The Commission is addressing the matter of reporting requirements in more depth in this proceeding and may ultimately revise energy efficiency reporting requirements and overturn this ruling.

PG&E's Motion to Delay EM&V of the Food Service Technology Center Program. On August 10, 2004, PG&E filed a motion to postpone its EM&V study of the Food Service Technology Center Program (FSTCP). PG&E explains that the program has longer lead times than most energy efficiency programs. Its EM&V consultant, Equipose, recommended five years of program operation before conducting an EM&V study. PG&E proposes to conduct the next study for this program in 2006. No party objected to this proposal.

In order to assure the EM&V study of the FSTCP is meaningful, this ruling grants PG&E's request to delay the EM&V study until 2006. The Commission may overturn this ruling in the event it believes a different schedule is reasonable for reviewing this program.

IT IS RULED that:

1. The motion of Pacific Gas and Electric Company (PG&E) to defer its EM&V study of the Food Service Technology Center Program until 2006 is granted.
2. The motion of PG&E to shift certain pre-1998 funds to the Single Family Rebate Program is granted.

3. The joint motion of PG&E and City and County of San Francisco to extend the time to complete the SF PEP is granted to the extent set forth herein and with the conditions set forth herein.

Dated October 28, 2004, at San Francisco, California.

/s/ Kim Malcolm
Kim Malcolm
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Granting Extension of Time to PG&E to Complete Energy Efficiency Program and to Shift Funds Between Energy Efficiency Programs on all parties of record in this proceeding or their attorneys of record.

Dated October 28, 2004, at San Francisco, California.

/s/ Antonina V. Swansen
Antonina V. Swansen

N O T I C E

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